



**Policy on Related Party Transactions
Of
Alliance Integrated Metaliks Limited**

POLICY ON RELATED PARTY TRANSACTIONS

1. PREAMBLE

Alliance Integrated Metaliks Limited (the “Company”) is committed to adopt the best practices of Corporate Governance and maintains high levels of ethical and legal conduct in fulfilling its responsibilities as a corporate citizen.

The Company recognizes that related party transactions can present a risk of actual or apparent conflicts of interest of the Directors and KMPs with the interest of the Company and hence has laid down a comprehensive policy for governing the Related Party Transactions.

The Board of Directors of Company had adopted the policy on dealing with Related Party Transactions of the Company in compliance with the provisions of the Companies Act, 2013, and the rules made thereunder (the “Act”), Indian Accounting Standard -24 and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “LODR Regulations”).

The Policy is applicable to all Related Party Transactions irrespective of their value and size.

2. OBJECTIVE

This policy is intended to ensure the proper approval and reporting of transactions as applicable, between the Company and any of its related party in the best interest of the Company and its Stakeholders.

Provisions of this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws. This Policy shall supplement the Company’s other policies in force that may be applicable to or involve transactions with related persons.

The Board of Directors reserves the power to review and amend this policy from time to time. Any exceptions to the Policy on Related Party Transactions must be consistent with the Companies Act 2013, including the Rules promulgated thereunder, Indian Accounting Standard - 24 and LODR Regulations and must be approved in the manner as may be decided by the Board of Directors.

3. DEFINITIONS

i. “Act” means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.

ii. “Arm’s length basis” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

iii. “Associate Company”, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation.—“significant influence” means control of at least twenty percent of total share capital, or of business decisions under an agreement.

iv. “Board” means the Board of Directors of the Company.

v. “Company” means Alliance Integrated Metaliks Limited.

vi. Concerned or Interested Director, means a director, who is in any way, whether directly Or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into:

- a) with a body corporate in which such director or such director in association with any other directors, holds more than two percent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
- b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be

vii. “Control” includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner:

Provided that a director or officer of the company shall not be considered to be in control over such company, merely by virtue of holding such position;

viii. “Key Managerial Personnel” or “KMP” shall have the meaning as defined under Regulation 2(1)(o) of the SEBI Listing Regulations read with Section 2(51) of the Companies Act, 2013, each as amended from time to time and includes any person so authorized and designated by the Board of Directors of the Company as KMP in compliance with the provisions of Regulations 2(1)(o) and 6 of the SEBI Listing Regulations and Section 2(51) read with Section 203 of the Act.

ix. “Policy” means Related Party Transaction Policy of the Company.

x. “Related Party” means a person or an entity which is related party as per

- a) Section 2(76) of the Companies Act, 2013.
- b) As per Regulation 2(1)(zb) of the SEBI Listing Regulations
- c) Applicable Accounting Standards.

xi. “Relatives” with reference to any person, means anyone who is related to another, if-

- 1) They are members of a Hindu Undivided Family;
- 2) They are husband and wife; or
- 3) One person is related to the other in the following manner, namely: -
 - a) Father (including step-father)
 - b) Mother (including step-mother)
 - c) Son (including step-son)

- d) Son's Wife
- e) Daughter
- f) Daughter's Husband
- g) Brother (including step-brother)
- h) Sister (including step-sister)

xii. "Related Party Transaction(s)" means the transactions, contracts and arrangements prescribed in Section 188 of the Act, as defined under the Listing Regulations and defined under applicable Indian Accounting Standards, and shall include transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged or not. Any transaction with a Related Party shall be construed to include single transaction or a group of transactions in a contract. The following transactions shall, inter alia, qualify to be Related Party Transactions as per Companies Act, 2013:

- a) Sale, purchase or supply of any goods or materials;
- b) Selling or otherwise disposing of, or buying, property of any kind;
- c) Leasing of property of any kind;
- d) Availing or rendering of any services;
- e) Appointment of any agent for purchase or sale of goods, materials, services or Property;
- f) Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
- g) Underwriting the subscription of any securities or derivatives thereof, of the Company;

xiii. "Material Related Party Transaction" means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of the SEBI Listing Regulations which is provided below:

Consolidated Turnover of Listed Entity Threshold	Threshold
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to up to ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5,000 Crore, whichever is lower.

Note: Consolidated Turnover for the purpose of the abovementioned table shall be taken as audited consolidated turnover as on immediately preceding financial year.

In case of transaction involving payment to a Related Party for brand usage or royalty, it will be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations or any other applicable law or regulation, each as amended.

4. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

Every Director shall at the beginning of the financial year provide information by way of written notice to the company regarding his concern or interest in the entity with specific concern to the parties which may be considered as related party as per the policy. Directors are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as related party according to this policy.

The Company will identify potential transaction with related parties based on written notices of concern or interests received from its Directors/Key Managerial Personnel in the manner prescribed in the Companies Act, 2013 and rules made thereunder.

Every Director, Key Managerial Personnel shall also make annual disclosures as under:

- a. List of Relatives
- b. List of private companies where the Company's Director is either a director or a member.
- c. List of firms where the Company's director or his relatives are partner.
- d. List of Public companies in which any director is also a director and he, alongwith his/her relatives also holds more than 2% of the shareholdings.
- e. Any other relevant information/disclosure required under the Act, applicable Indian Accounting Standards and Listing Regulations.

Every Director and Key Managerial Personnel shall also promptly intimate any change in the annual disclosures mentioned above to the Company.

5. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

(i) Prior Approval of the Audit Committee shall be required for:

1. All Related Party Transactions and subsequent material modifications as defined by the Audit Committee;
2. RPTs of above ₹1 crore, where subsidiary is a party but the Company is not a party and the transaction amount exceeds the threshold of:
 - i. 10% of the annual standalone turnover of the subsidiary as per last audited financial statements of the subsidiary; or
 - ii. the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations.

If such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:

- i. 10% of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
- ii. the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations:

Provided that the aggregate value of paid-up share capital and securities premium account of the

subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

Further, the Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

Prior approval of the Audit Committee shall not be required for:

- i. Related Party Transactions, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.
- ii. Related Party Transactions of unlisted subsidiaries of listed subsidiary of the Company, where the prior approval of the audit committee of the listed subsidiary is obtained.
- iii. transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- iv. transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- v. remuneration and sitting fees paid by Company or its subsidiaries to its directors, key managerial personnels or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of the provisions of Regulation 23(1) of the Listing Regulations.

Members of the Audit Committee, who are independent directors, shall alone approve Related Party Transactions.

The Audit Committee, at the time of approval of RPTs, shall take into consideration the certificate to be placed before it by the Chief Executive Officer or Chief Financial Officer or any other KMP of the Company, confirming that the RPT(s) to be entered into are not prejudicial to the interest of public shareholders of the Company and the terms and conditions of the proposed RPT(s) are not unfavourable to the Company, compared to terms and conditions, had similar transaction(s) been entered into with an unrelated party. This certificate shall be placed before the Committee.

However, the Company may obtain omnibus approval from the Audit Committee for all Related Party Transactions subject to compliances with the conditions prescribed in paras 1 to 9 below.

1. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval shall include the following:
 - i Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
 - ii The maximum value per transaction which can be allowed;
 - iii extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - iv review, at such intervals as the Audit Committee may deem fit, Related Party Transaction entered into by the Company pursuant to each omnibus approval made;

- v transactions which cannot be subject to the omnibus approval by the Audit Committee.
2. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:
 - i repetitiveness of the transactions (in past or in future);
 - ii justification for the need of omnibus approval.
 3. The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company;
 4. The omnibus approval shall provide details of (i) the name(s) of the related party and its relationship with the Company or its subsidiary, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into during the year; (ii) basis of arriving at the indicative base price / current contracted price and the formula for variation in the price if any, (iii) minimum information about the RPTs as per the provisions of the Industry Standards and (iv) such other conditions as the Audit Committee may deem fit.

Provided that where the need for Related Party Transactions cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹1 crore per transaction.

5. The threshold for prior approval of the Audit Committee on related party transactions whether entered into individually or taken together with previous transactions during a financial year, undertaken by subsidiaries shall be as follows:
 - For a subsidiary with audited financial statements: 10% of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary or the scale-based threshold for material related party transactions of listed entity (as mentioned above), whichever is lower.
 - For subsidiaries not having audited financial statements for a period of at least 1 year: 10% of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or the scale-based threshold for material related party transactions of listed entity (as mentioned above), whichever is lower.
6. The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of Related Party Transactions entered into by the Company or its subsidiary pursuant to the omnibus approval given;
7. Omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Act or rules, notifications, or circulars issued thereunder from time to time. In case of omnibus approvals for material related party transactions, granted by the shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

8. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
9. Omnibus approval can be granted by the audit committee for related party transactions of the Company as well as of its subsidiaries.
10. Any other conditions as the Audit Committee may deem fit.

B. Pursuant to the approval of the Board of Directors, the Audit Committee of the Company has specified following criteria for granting omnibus approval:

- a. The maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a year will be 50% of the annual consolidated turnover of the Company as per its last audited financial statements, subject to the transaction(s) exceeding the materiality threshold which require shareholder approval will not be considered for this limit.
- b. The maximum value per transaction which can be approved under omnibus route will be the same as per the materiality threshold as defined in the Policy. Should the value per transaction, through omnibus route, exceed the materiality threshold as defined in the Policy, the same shall be subject to approval of shareholders of the Company.
- c. While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the following documents / seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:
 - i. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into;
 - ii. the indicative base price / current contracted price and the formula for variation in the price, if any;
 - iii. Minimum Information to be placed before the Audit Committee as required under the Industry Standards
 - iv. such other information/documents/confirmations as the Audit Committee may deem fit from time to time.
- d. The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered by the Company pursuant to each omnibus approval given.
- e. Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:
 1. Transactions which are not at arm's length or not in the ordinary course of business;
 2. Transactions which are not repetitive in nature;
 3. Transactions exceeding materiality thresholds as laid down in the Policy
 4. Transactions in respect of selling or disposing of the undertaking of the company
 5. Financial Transactions e.g. Loan to related parties, Inter Corporate Deposits, subscriptions to bond, debenture or preference shares issued by the related parties, corporate guarantee given/received from related parties.
 6. Any other transaction as the Audit Committee may deem not fit for omnibus approval

(ii) Approval of the Board:

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- a) Transactions which may be in the ordinary course of business and at arm's length basis, but which are, as per the Policy, determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- b) Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- c) Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval;
- d) Transactions meeting the materiality thresholds laid down in the Policy, which are intended to be placed before the shareholders for approval.

(iii) Approval by the Shareholders:

All the transactions with related parties exceeding the materiality thresholds, laid down in the Policy, are placed before the shareholders for approval.

For this purpose, none of the related parties of the Company shall vote to approve on such shareholders' resolution irrespective of whether the entity is a related party to the particular transaction or not. (RP's can cast only negative vote to reject the shareholders resolution of material RPT).

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not at Arm's Length or not in the ordinary course of business; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

However, the requirement of shareholders' prior approval for Material Related Party Transactions shall not be applicable for the following cases:

- transactions in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved.
- Related Party Transactions, where the listed subsidiary of the Company is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.
- Related Party Transactions of unlisted subsidiaries of the listed subsidiary of the Company, where the prior approval of the shareholders of the listed subsidiary is obtained.
- transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

- transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

6. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY:

The members of the Audit Committee, who are independent directors, may ratify the related party transactions within 3 months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier. Ratification is subject to certain conditions as specified in the Listing Regulations.

The failure to seek ratification of the audit committee shall render related party transactions voidable at the option of the audit committee and if the transaction is with a related party to any director or is authorized by any director, the director(s) concerned shall indemnify the Company against any losses incurred.

7. DISCLOSURES:

- The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.
- The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, for review of the Audit Committee while seeking prior approval of the RPTs.
- The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, in the Statement to the notice being sent to shareholders seeking their approval for proposed RPTs as applicable.
- The Company shall provide disclosure of the Related Party Transactions to stock exchanges where the Company's securities are listed, in the format as specified by the SEBI/stock exchanges from time to time and within statutory timelines. The Company shall simultaneously upload the disclosure at its website.

8. MISCELLANEOUS:

This Policy, as amended up to date, shall come into force w.e.f. date of its adoption and may be revised by the Board, if it so deems fit.

If any provision of this Policy contravenes any provision of the Act, Applicable Accounting Standards and Listing Regulations, that provision of this Policy shall always be deemed to have been amended since inception in line with the applicable provisions of the Act, Applicable Accounting Standards and Listing Regulations.
